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The Aluminum Situation

Department of Economics and Statistics

April 1987

Shipments Up 2.1 Percent in February

Total industry net shipments for two months 1987, at an estimated 2,587 million pounds, were up 2.1 percent from the two months, 1986 total of 2,532 million pounds.

Domestic shipments of 2,394 million pounds were up 2.2 percent from the two months 1986 total of 2,343 million pounds.

Imports of ingot and mill products were up 15.4 percent and exports were up 1.7 percent.

Thru February

	2 Mos. 1987	2 Mos. 1986	% Change
Mill Products	2,073	2,020	+ 2.6%
Ingot	514	512	+ 0.3%
Total	2,587	2,532	+ 2.1%
Less Exports	192	189	+ 1.8%
Domestic Total	2,779	2,722	+ 2.1%

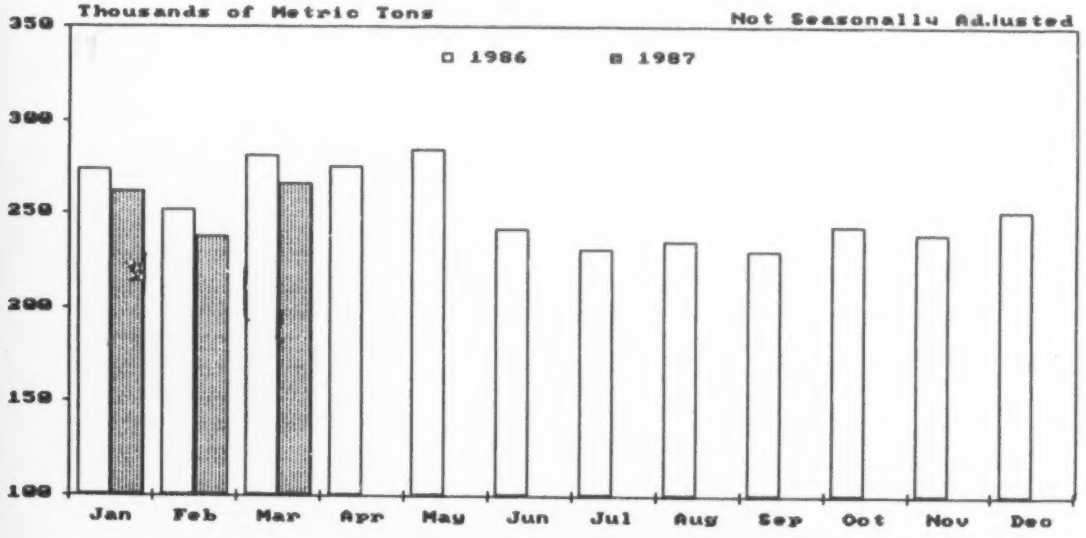
Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 5.3 Percent

U.S. primary aluminum production averaged 8,579 metric tons daily during March 1987, compared with an average 9,059 metric tons per day in March 1986.

The annual rate of production in March 1987 was 3,131,240 metric tons, compared to 3,306,653 metric tons in March 1986. The February 1987 annual rate was 3,096,026 metric tons. Actual production in March 1987 was 265,941 metric tons.

Primary Production



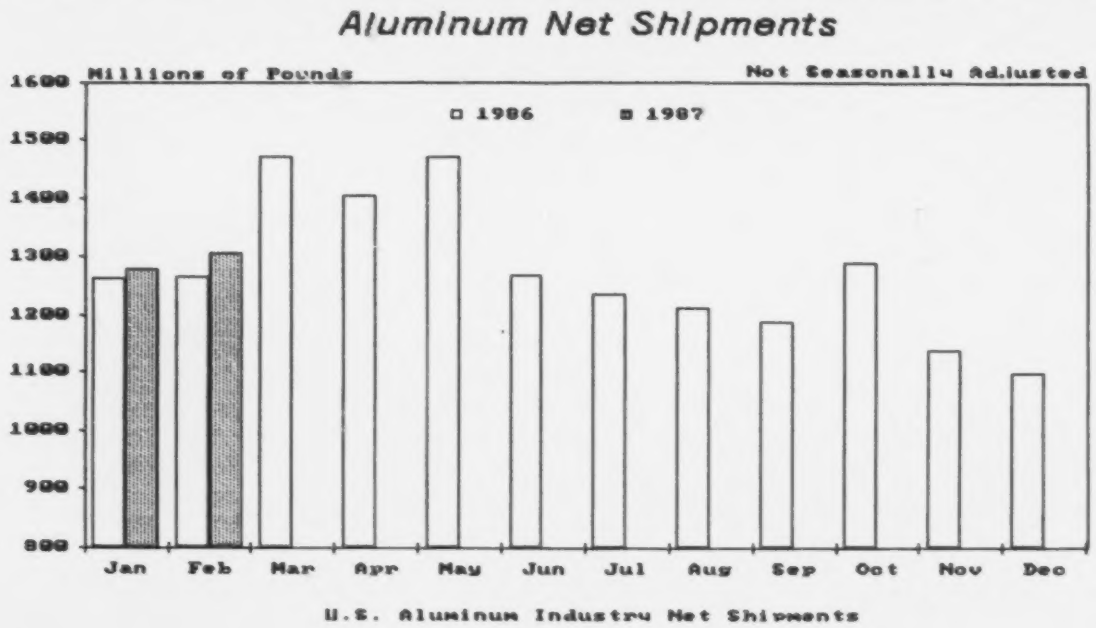
U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Up 2.1 Percent

Estimated total industry net shipments of 2,587 million pounds for two months of 1987 were up 2.1 percent from the two months 1986 total of 2,532 million pounds. Exports were up 1.8 percent. Domestic shipments showed a 2.2 percent increase over a year ago. February shipments of 1,306 million pounds were up 3.1 percent versus a year ago.



Net Shipments

(Millions of Pounds)

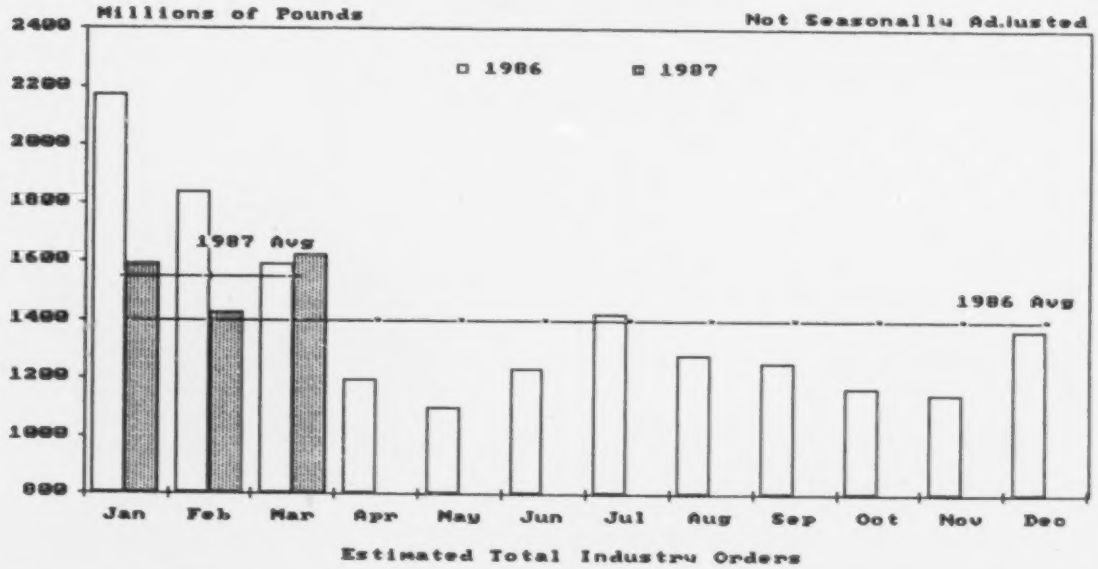
	1987* Feb.	1986 Feb.	1987 2 Mos.	1986 2 Mos.	% Change YTD 1987 vs. 1986
Sheet	544.0	506.3	1,078.7	1,023.8	+ 5.4%
Plate	22.0	18.7	45.7	42.1	+ 8.5%
Foil	73.0	75.0	144.3	148.3	- 2.7%
Rod, Bar & Wire	30.0	31.3	58.0	61.6	- 5.8%
Electrical Conductor	42.0	43.9	86.9	94.9	- 8.5%
Extruded Shapes & Tube	227.0	218.2	442.7	447.3	- 1.0%
Powder & Paste	6.0	7.3	12.1	15.6	-22.6%
Forgings & Impacts	12.0	12.5	24.5	25.2	- 2.7%
Net Imports of Mill Products (Total)(a)	90.0	79.8	180.0	161.3	+11.6%
Total Mill Products	1,046.0	993.0	2,072.8	2,020.1	+ 2.6%
Ingot(b)	260.0	274.1	513.9	512.3	+ 0.3%
TOTAL INDUSTRY SHIPMENTS	1,306.0	1,267.1	2,586.6	2,532.4	+ 2.1%
Exports	107.4	96.4	192.5	189.1	+ 1.8%
TOTAL DOMESTIC SHIPMENTS	1,198.6	1,170.7	2,394.2	2,343.3	+ 2.2%

*Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Net New Orders Down 17.1 Percent

Estimated net new order receipts for three months of 1987 at 4,635 million pounds were down 17.1 percent versus the first three months of 1986 total of 5,590 million pounds. February orders of 1,621 million pounds were up 2.0 percent versus a year ago.

Order Receipts



Order Receipts

(Millions of Pounds)

	1987* March	1986 March	1987 3 Mos.	1986 3 Mos.	% Change YTD 1987 vs. 1986
Can Stock(a)	337.1	304.1	1,045.8	1,193.4	-12.4%
Sheet & Plate, Other	442.4	357.5	1,327.5	1,252.0	+ 6.0%
Foil	95.4	73.8	237.9	237.9	0.0%
Rod, Bar & Wire	37.2	33.3	103.4	100.1	+ 3.3%
Electrical Conductor	62.2	55.6	161.2	166.8	- 3.4%
Extruded Products	363.2	257.1	1,037.4	808.9	+28.2%
Powder & Paste	5.4	10.0	12.2	24.3	-49.8%
Forgings & Impacts	11.8	18.7	38.8	38.1	+ 1.8%
Domestic Mill Products	1,394.7	1,110.1	3,964.2	3,821.5	+ 3.7%
Ingot (Total)	155.8	411.1	442.3	1,504.0	-70.6%
TOTAL DOMESTIC	1,550.5	1,521.2	4,406.5	5,325.5	-17.3%
Exports	70.1	67.5	228.5	264.5	-13.6%
TOTAL ALL PRODUCTS	1,620.6	1,588.7	4,635.0	5,590.0	-17.1%

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

January 1987 Inventories Decreased 6.3 Million Pounds

Producer inventories decreased an estimated 63 million pounds in February 1987 from the revised January 1987 level of 4,934 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated**	Smelters	Non-Integrated
Dec 84	5,850	4,692	229	929
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Dec 85	5,165	2,235	567	2,363
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,928r	1,971r	632r	2,324r
Jan 87	4,934r	1,931r	593r	2,410r
Feb 87	4,871	1,740	592	2,539

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. **Number of integrated producers lower effective January 1987.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1987 Feb.	1986 Feb.	1987 2 Mos.	1986 2 Mos.	% Change 1987 vs. 1986
Imports	Mill Products	88.9	90.4	182.0	181.5	+ 0.3%
	Ingot	248.5	221.3	490.9	401.7	+22.2%
	Total	337.4	311.7	672.9	583.3	+15.4%
	Scrap (+ dross)	30.6	28.2	74.8	54.7	+36.9%
	Grand Total	368.0	339.9	747.7	637.9	+17.2%
Exports	Mill Products	54.7	40.1	98.3	84.7	+16.0%
	Ingot	52.7	56.2	94.1	104.4	- 9.8%
	Total	107.4	96.4	192.4	189.1	+ 1.7%
	Scrap	57.5	70.8	115.8	142.8	-18.9%
	Grand Total	164.9	167.2	308.3	331.9	- 7.1%
Net Imports		203.1	172.7	439.5	306.0	+43.6%

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.